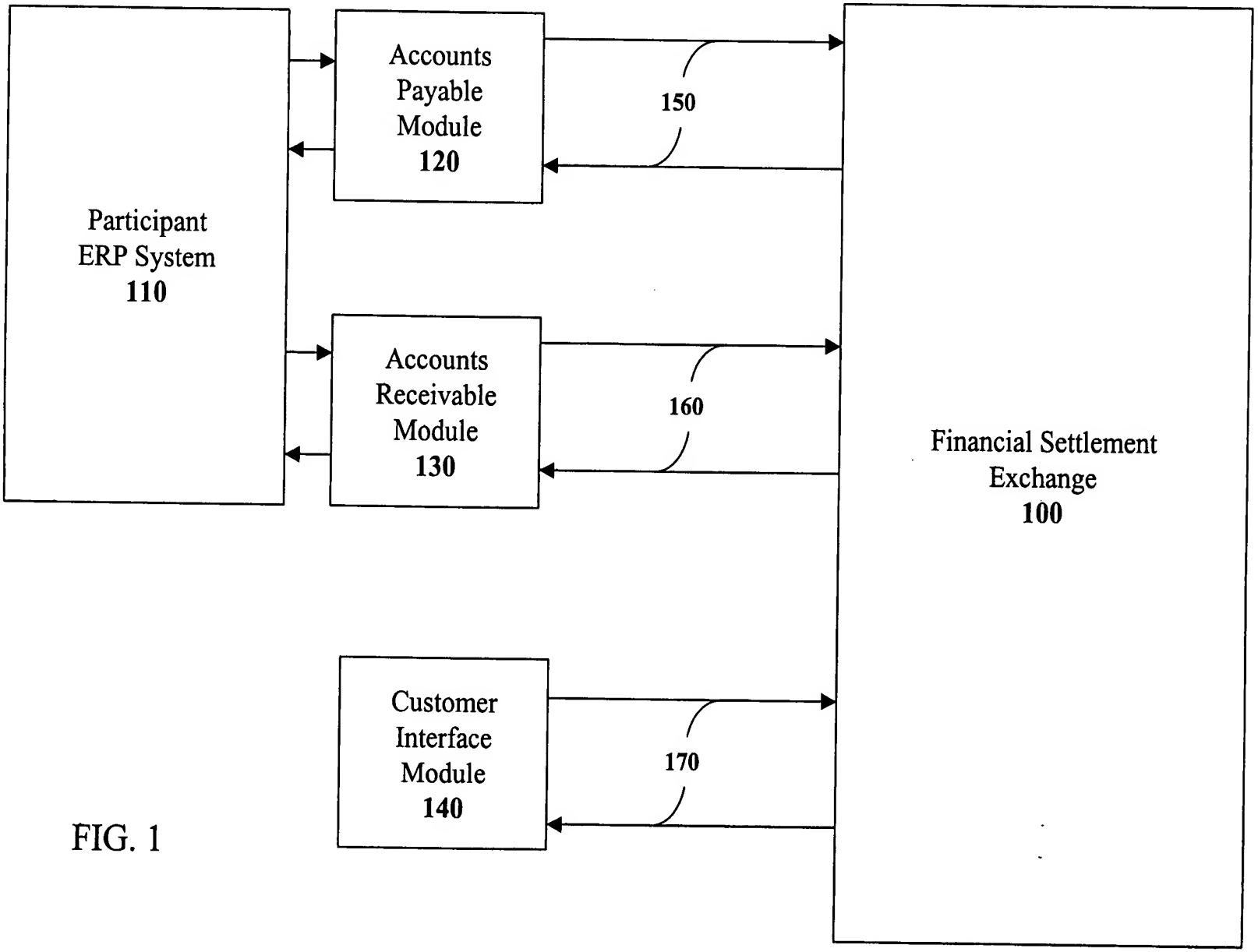

Participant
ERP System
110
Accounts
Payable
Module
120
150
Accounts
Receivable
Module
130
160
Customer
Interface
Module
140
170
Financial Settlement
Exchange
100

FIG. 1

FIG. 2

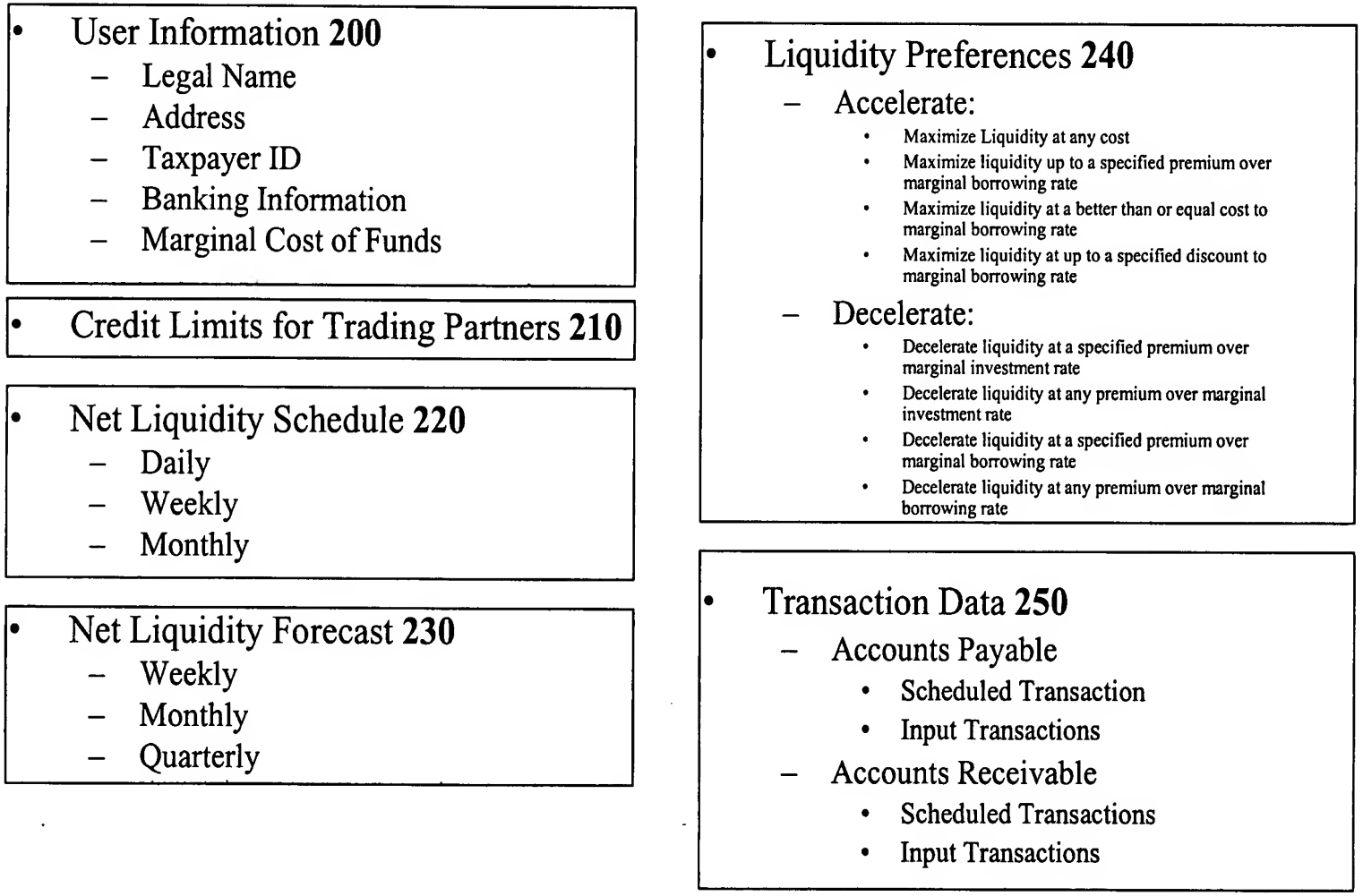

• User Information 200
– Legal Name
– Address
– Taxpayer ID
– Banking Information
– Marginal Cost of Funds
• Credit Limits for Trading Partners 210
• Net Liquidity Schedule 220
– Daily
– Weekly
– Monthly
• Net Liquidity Forecast 230
– Weekly
– Monthly
– Quarterly
• Liquidity Preferences 240
– Accelerate:
• Maximize Liquidity at any cost
• Maximize liquidity up to a specified premium over marginal borrowing rate
• Maximize liquidity at a better than or equal cost to marginal borrowing rate
• Maximize liquidity at up to a specified discount to marginal borrowing rate
– Decelerate:
• Decelerate liquidity at a specified premium over marginal investment rate
• Decelerate liquidity at any premium over marginal investment rate
• Decelerate liquidity at a specified premium over marginal borrowing rate
• Decelerate liquidity at any premium over marginal borrowing rate
• Transaction Data 250
– Accounts Payable
• Scheduled Transaction
• Input Transactions
– Accounts Receivable
• Scheduled Transactions
• Input Transactions

FIG. 3

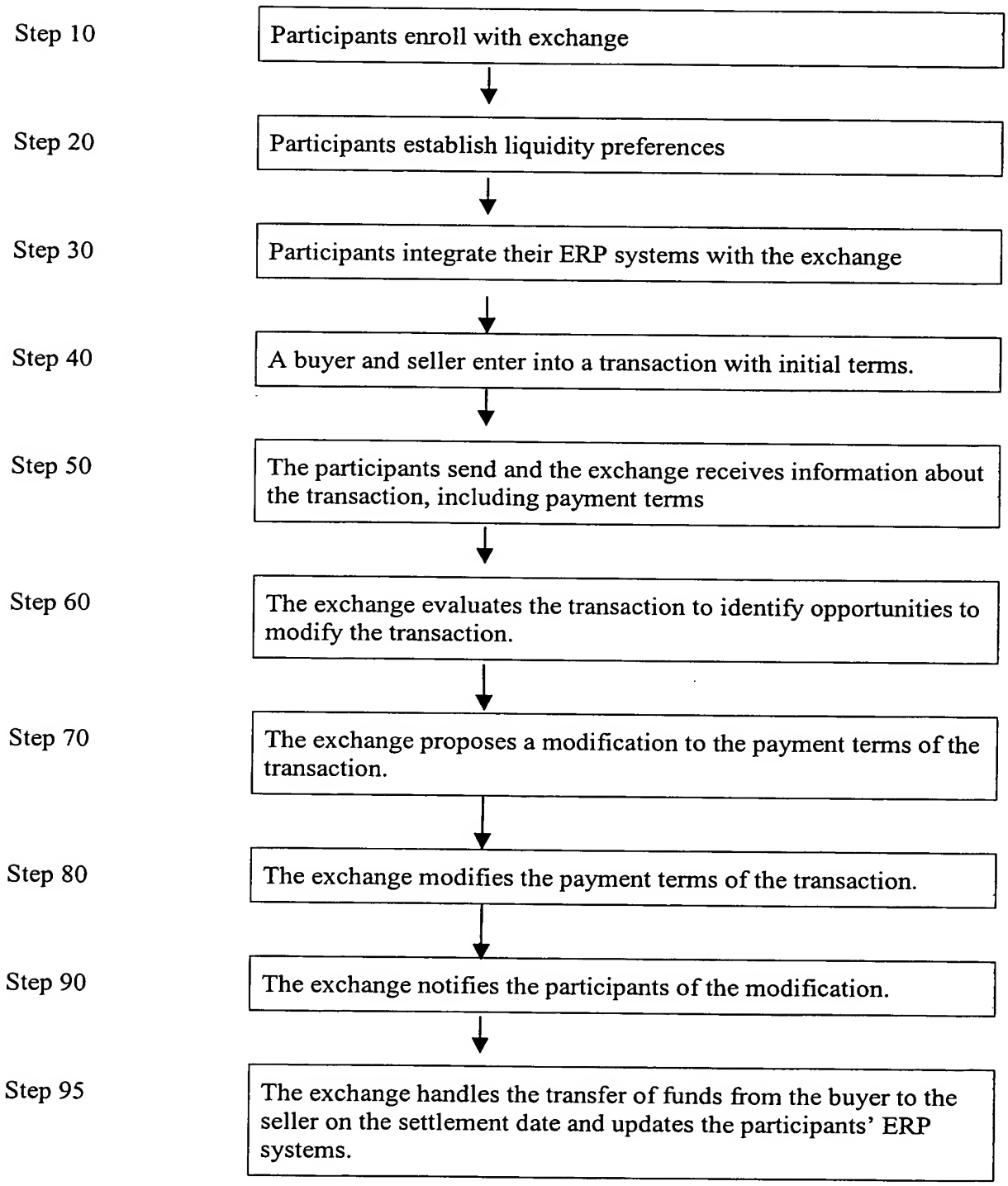

Step 10
Participants enroll with exchange
Step 20
Participants establish liquidity preferences
Step 30
Participants integrate their ERP systems with the exchange
Step 40
A buyer and seller enter into a transaction with initial terms.
Step 50
The participants send and the exchange receives information about the transaction, including payment terms
Step 60
The exchange evaluates the transaction to identify opportunities to modify the transaction.
Step 70
The exchange proposes a modification to the payment terms of the transaction.
Step 80
The exchange modifies the payment terms of the transaction.
Step 90
The exchange notifies the participants of the modification.
Step 95
The exchange handles the transfer of funds from the buyer to the seller on the settlement date and updates the participants' ERP systems.

FIG. 4

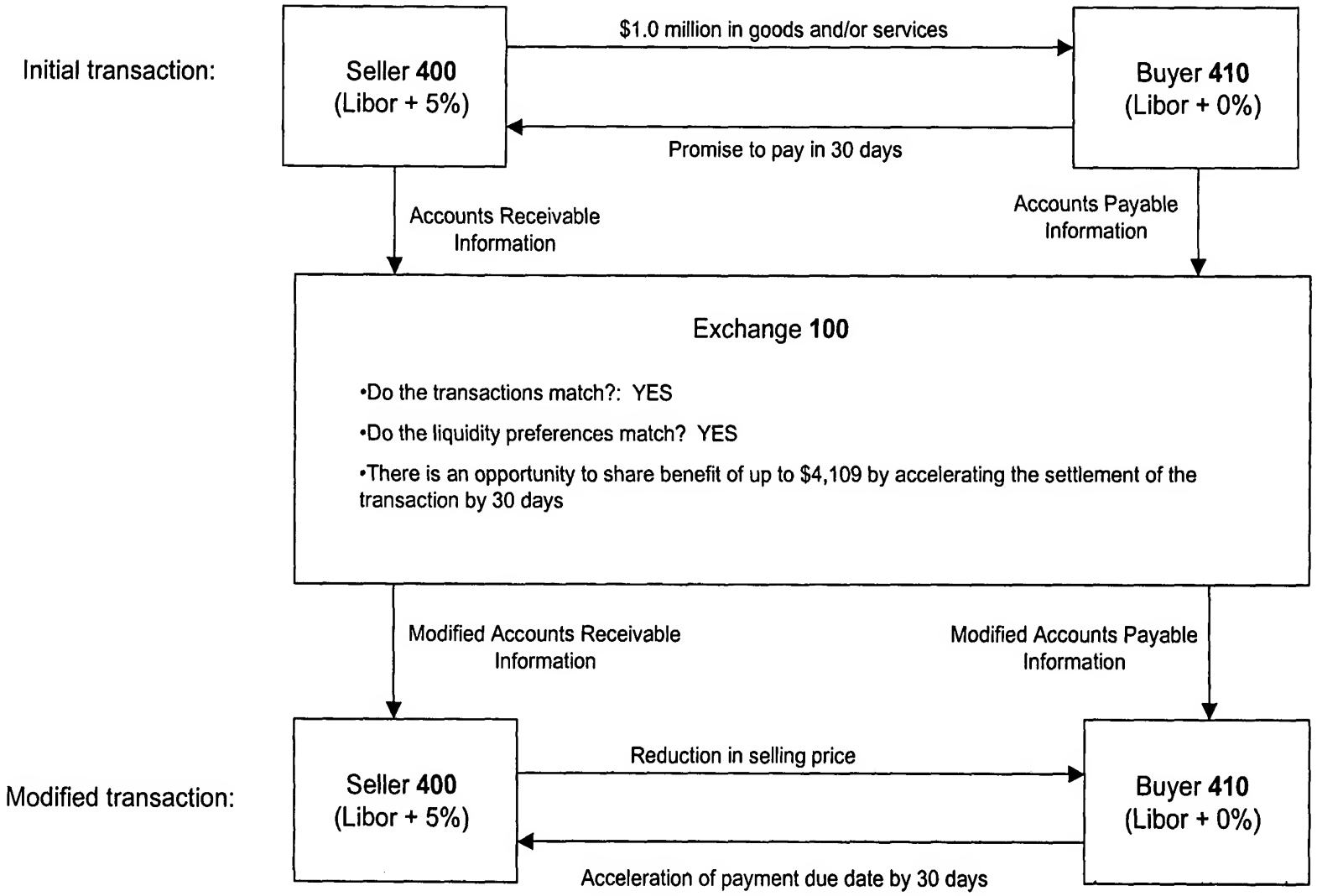
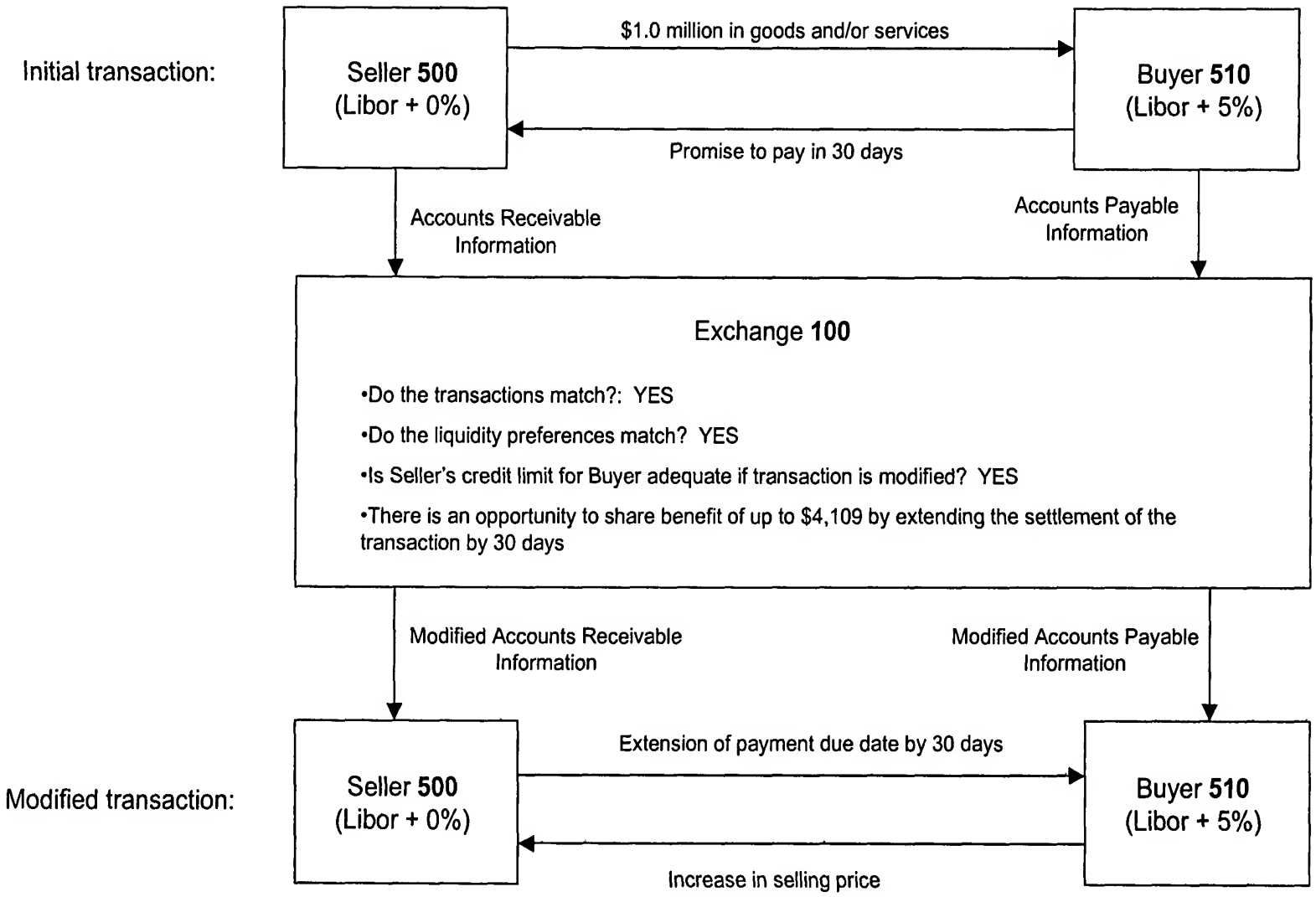

Initial transaction:
Seller 400
(Libor + 5%)
$1.0 million in goods and/or services
Promise to pay in 30 days
Buyer 410
(Libor + 0%)
Accounts Receivable Information
Accounts Payable Information
Exchange 100
•Do the transactions match?: YES
•Do the liquidity preferences match? YES
•There is an opportunity to share benefit of up to $4,109 by accelerating the settlement of the transaction by 30 days
Modified Accounts Receivable Information
Modified Accounts Payable Information
Modified transaction:
Seller 400
(Libor + 5%)
Reduction in selling price
Acceleration of payment due date by 30 days
Buyer 410
(Libor + 0%)

FIG. 5


Initial transaction:
Seller 500
(Libor + 0%)
$1.0 million in goods and/or services
Promise to pay in 30 days
Buyer 510
(Libor + 5%)
Accounts Receivable Information
Accounts Payable Information
Exchange 100
•Do the transactions match?: YES
•Do the liquidity preferences match? YES
•Is Seller's credit limit for Buyer adequate if transaction is modified? YES
•There is an opportunity to share benefit of up to $4,109 by extending the settlement of the transaction by 30 days
Modified Accounts Receivable Information
Modified Accounts Payable Information
Modified transaction:
Seller 500
(Libor + 0%)
Extension of payment due date by 30 days
Increase in selling price
Buyer 510
(Libor + 5%)